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C O N F I D E N T I A L SECTION 01 OF 02 KHARTOUM 001090

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DEPT FOR AF< S/USSES, S/CRS AND EB

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TAGS: [EFIN](#) [KDEM](#) [PGOV](#) [PREL](#) [UN](#)
SUBJECT: SOUTHERN SUDANESE VICE PRESIDENT ON CONFISCATED
CASH AND REFERENDUM STICKING POINTS

REF: KHARTOUM 1072

Classified By: CDA REWhitehead for reasons 1.4 (b) and (d)

¶1. (C) Summary. Government of Southern Sudan (GoSS) Vice President Riek Machar Teny spoke with Charge the evening of September 25 about the release of USD seven million in cash confiscated from a bank courier (reftel) and four remaining sticking point in talks between the Sudan Peoples' Liberation Movement (SPLM) and the National Congress Party (NCP). Machar confirmed that Finance Minister David Deng had authorized release of the money, and said that this would transpire as soon as an official from Citibank came to Juba to make final arrangements. On ongoing referendum negotiations, Machar said that there are remaining contentions on who is qualified to vote as a South Sudanese person, the participation of International Organization for Migration (IOM) and Southern NGOs to monitor voting in the North and from countries with large southern diaspora groups, the percentage of registered voters who must participate for the option of separation to occur, and the NCP demand that SPLM sign a statement that all post-referendum issues must be resolved prior to the referendum taking place. Machar said that he would return to Khartoum to resume negotiations on September 29 following the return of Government of National Unity Second Vice President Ali Osman Taha from Venezuela. End summary.

Lurching Toward Resolution

¶2. (C) Charge warned Machar that the failure of GoSS officials to release USD seven million confiscated from a Citibank courier during the refueling of a flight from Nairobi to Darfur was negatively impacting GoSS credibility. Machar somewhat defensively said that the GoSS was ready to return the funds, which Citibank was transporting to Darfur on behalf of the UNAMID peacekeeping operation, as soon as a Citibank official arrives in Juba to make final arrangements. Machar said the Minister of Finance and Economic Planning David Deng Athorbei had authorized the return of the money. He said that the visiting official could arrange for either physical transport of the cash to its final destination or the use of a Bank of Southern Sudan bank transfer. Charge thanked Machar for the update, and told him that he understood that a Citibank official will arrive in Juba next week. Machar said that even if US financial sanctions against the Government in Khartoum had not been violated, Citibank had nonetheless violated Southern Sudanese banking regulations by not declaring the shipment of cash in "this hit-and-run banking transaction."

Stuck at a Standstill

13. (C) Charge requested an update on where the referendum legislation draft stands after Machar's latest round of negotiation with Second Vice President Taha. Machar said that the NCP had sent a long written document to the SPLM covering 15 separate points. Some of these had been worked out, he said, but four major sticking points remained. First, the section of the interim Southern Sudan Constitution defining Southern Sudanese citizenship was worded in such a way that it was not possible to say exactly who would qualify to vote. The SPLM was seeking more precise language that would limit the vote to Southern Sudanese living in the north but banning Northerners or their offspring who claimed pre-1956 ties to the South that could not be confirmed by local (Southern) chiefs. Machar said that the SPLM had agreed to allow voting in the North and eight foreign countries with significant populations of Southern Sudanese but were seeking a role for the IOM and Southern Sudanese NGOs to monitor polling stations in the North and overseas to ensure the vote (and voters) were legitimate. The NCP had not agreed to this condition. Thirdly, said Machar, the NCP maintained its demand for a 75 percent super majority for a vote of separation to be binding; unexpectedly, they had also upped from 75 percent to 90 percent the quorum of participating voters that would be required to legitimize a separation vote. Machar said that the SPLM could not accept either of these figures. Finally, Machar said, the NCP was insisting that all identified post-referendum issues be resolved before the referendum can take place, another condition to which the SPLM objected. He listed national liabilities and assets, water, Joint Integrated Units, petroleum, and international agreements as some of the

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post-referendum issues to be discussed. Machar said he expected to return to Khartoum on September 29 to renew talks with Taha.

Comment

14. (C) Acting Charge Asquino will travel to Juba to coincide with the scheduled arrival of a Citibank official and push to bring the issue of seized UNAMID funds to a satisfactory conclusion. Embassy Khartoum very much appreciates the efforts of the staff of the Consulate General in Juba, and especially senior Treasury official Ged Smith (on loan from S/CRS) to work this initiative. There has been little progress on some of the thornier referendum issues; in fact, if Machar was accurate about the NCP raising the bar on percentages, positions may be hardening. Embassy Khartoum will continue to track progress toward referendum legislation acceptable to both parties, and presumably linked resolution of the still outstanding issue of how the 2008 census data will be used in the 2010 national elections.
WHITEHEAD